

Solutions to the problems inherent in Montana's school finance system are not simple. However, they can be solved. It would be presumptuous of me to order specific remedies at this time. Those solutions must await careful study by the Legislature with the assistance of administrators, State executives, and other professionals.

The relief granted by this Court is prospective and in order to provide the Legislature with the opportunity to search for and present an equitable system of school financing in this State, this decision will become effective upon October 1, 1989. Washakie, 606 P.2d at p. 340.

The school system of the State of Montana shall continue under existing statutes until October 1, 1989. The validity and enforceability of past and future acts, bonded indebtedness, and obligations incurred under applicable statutes are not affected by this decision. Washakie, 606 P.2d at p. 340.

This Court retains jurisdiction until a constitutional body of legislation is enacted and it will, from time to time, take such action as may be necessary to assure conformity with this decision. Washakie, 606 P.2d at p. 340.

Filed simultaneously herewith are the Court's Findings of Fact and Conclusions of Law, plus an Order. In the main, they are taken from the proposed findings and conclusions of the Plaintiffs. I have carefully scrutinized each and all of the findings and conclusions and the objections of the Defendants and other parties have been studied and analyzed. However, Plaintiffs' findings are supported by substantial evidence. Evidence which contradicted such findings was considered and rejected.

If there is any conflict between this Opinion and the Court's Findings of Fact and Conclusions of Law, the latter shall control.

IT IS SO ORDERED.

DATED this 13th day of January, 1988.

s/Henry Loble  
District Judge

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state." This latter sentence is clear and unambiguous. It is not necessary to ascertain its intent or meaning from external sources such as the minutes of the Constitutional Convention of 1972. It means exactly what it says. It guarantees, pledges, and assures equality of educational opportunity to each person of this State.

In 1949, the Legislature enacted the Montana School Foundation Program. The purpose was to relieve pressure on the property tax through state funding support; to provide equal educational opportunity for children; and to apportion the financial burdens of education fairly among the taxpayers. Until 1949, raising revenues necessary for the schools was largely the responsibility of the local communities, i.e., the counties and school districts. This system was found to be inequitable, unjust, and outmoded. Therefore, in 1949, a state level of funding was adopted which had, as its primary purpose, affording equal public school educational opportunities to all boys and girls in the State.

Since the adoption of the Foundation Program, in order to administer the Program, every two years the Legislature sets the "Maximum General Fund Budget Without a Vote" (MGFBWV) (emphasis supplied) schedules for public elementary and secondary school districts. These schedules do not establish maximum budgets for the districts. The school districts can exceed the schedules through non-tax revenues or by raising money through voted local levies. It is important to distinguish between MGFBWV and school district general fund budgets. The former does not include funds raised by voted levies and the latter, in most instances, does. For diagrams of Montana Public School General Fund Structure and Budgeted Funds see copies of Pl. Exhs. 4 and 4A which follow:



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as are deemed desirable. It shall be the duty of the legislature to provide by taxation or other means and to distribute in an equitable manner funds sufficient to insure full funding of the public elementary and secondary school system.

#### COMMENTS

The proposed section by the committee would replace sections 1, 6 and 7 of the existing Constitution. The committee desires to broaden the goals set forth for an educational system beyond those which might have been appropriate for public schools at the time of writing the existing Constitution. The horizons of education are constantly expanding. There has been a growing recognition of educational rights which extend beyond arbitrary age and school term limitations. Society has accepted the duty to support a quality educational system, and courts have stressed that it must be made available on approximately equal terms. Thus, the committee proposes a new section which takes into account the widened perspectives embodied in these developments.

The first sentence, "It shall be the goal of the people of Montana to provide for the establishment of a system of education which will develop the full educational potential of each person," is appropriate as a statement of purpose for education in the state. Learning is gradually being recognized as a process which extends from the early months till the late years of life. A long range goal of the state should be to foster and support this learning process for all citizens to the maximum level possible in any given era. The committee realizes that economic and human resources may be insufficient at present to promote learning "to the full educational potential of each person," but it feels strongly that the goal should be set forth as an ideal to serve as a guide for educational development in the state. All members of society should be ultimately eligible for the benefits of enlightenment and skills acquired through the educational process.

The subject of "equal educational opportunity" has become a particularly important doctrine in modern education. Recent federal, district and state court decisions have interpreted the Fourteenth Amendment to the federal Constitution as applying to educational financing. Under this doctrine, the state must show a compelling interest to maintain a classification system by wealth which interferes with the individual's fundamental right to an education. By this standard the courts have ruled that the school district financing systems in four states violate equal protection.

Montana's school financing system is similar to those

declared unconstitutional in the states where challenges have been made. The same vast discrepancies in tax burdens and educational support exist in Montana as exist elsewhere. A recent study by the Office of the Superintendent of Public Instruction (A Study of Basic Educational Program Funding Methodology in Montana, January 1972) shows that Montana school district wealth per AWE varies by as much as a ratio of 10,000 to 1. The enormous differences in tax bases mean that many rich districts can provide much better education facilities with lower tax rates. Some poor districts must tax their residents three or four times as much as rich districts to provide less than half as much money per student. Clearly, the existing school foundation program in Montana does not attain its aim of equalizing educational burdens and benefits. Indeed, the study shows that in the state as a whole, foundation program expenditures actually subsidize wealthier districts more than poorer districts, aggravating factors which already tend to make education a function of wealth.

This conforms to a national pattern in which states spend on the average twice as much to educate the children of the rich as to educate the children of the poor. Other forms of barriers to equal educational opportunity, such as cultural or linguistic factors in minority groups, may also hinder the development of children on an equal basis. Clearly the educational system must be directed to the elimination of blatant injustices which may predetermine a lifelong disadvantage. The principle of equal educational opportunity, as a corollary to the right to equal protection of the laws, stands as a fundamental maxim for the public educational system.

It has been suggested that Constitutional statement of equal educational opportunity might be a mandate for the attainment of an impossible ideal, and that such a statement of principle could open the door to a welter of demands for making public education absolutely equal for every person in society on every level. This interpretation, however, would represent an extreme and absurd misconstruction of the meaning of the principle. The principle of "equal educational opportunity" is no more an abstract absolute than is the right to "equal protection of the laws" or any other Constitutionally guaranteed right or freedom. No right is absolute; each must be considered in connection with other rights and freedoms and in terms of the social context to which it is applied.

In keeping with the rationale articulated in Serrano v. Priest and other court decisions in this area, the committee agrees with the exemplary words of a landmark U.S. Supreme Court decision:

In these days, it is doubtful that any child may



reasonably be expected to succeed in life if he is denied the opportunity of an education. Such an opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms. [Brown v. Board of Education, 347 U.S. 493 (1954)]

Likewise, the California Supreme Court held:

[I]ts uniqueness among public activities clearly demonstrates that education must respond to the command of the equal protection. [Serrano v. Priest, 96 Cal 601]

Both Brown and Serrano attacked the substantial disparities in the educational systems under review and concluded that neither race nor wealth could be used to impair the equal right of children to an education. Neither of these cases mandated some sort of precise equality of education for the entire lifespan of the human being. The fundamental principle established, however, is that every child should have approximately the same opportunity to receive an adequate basic education. What this means in practice will be legislatively defined in terms of prevailing social conditions.

The sentence "the legislature shall provide for a system of high quality free public elementary and secondary schools," is a mandate to the legislature to insure the existence of a quality basic educational system. The word "quality" is an instruction to the legislature to provide not simply a minimum educational system, but one which meets contemporary needs and produces capable, well-informed citizens. The word "free" is understood by the committee to mean that those aspects of an elementary or secondary education shall be free from cost which are essential to those courses required by the school for graduation.

The committee also believes that other educational institutions and programs and libraries are important parts of educational activity in the state. The particular sorts of institutions and programs, however, must be left for the legislature to determine, since changing conditions may require a variety of endeavors.

The final sentence in section 1 provides a vital mandate to the legislature for the support of the public school system. The committee feels that a strong directive is necessary to insure the support of the public elementary and secondary school system. The particular type of financing system is a matter properly left to legislative determination, but the fundamental principles upon which such a system is based are matters of a Constitutional nature. The committee specifies three tenets of a school financing system: (1) that taxation for such a system be equitably apportioned; (2) that the school funds be distributed in an equal manner; and (3) that the funds supplied be sufficient to insure full funding of the system.



The first two of these principles follow from the meaning of "equal educational opportunity." Two aspects of equal opportunity have been emphasized in the judicial decisions: equality of tax burden for the support of education and equality of distribution of educational funds. A wide variety of particular school financing plans, from a wholly state-financed program to a plan for substantial redistricting, have been suggested to meet these criteria. The selection of which plan best suits the situation in Montana is a matter for the legislature to decide. The Constitutional language solely established norms for the evaluation of such plans.

The third principle set forth by the committee, that of full funding, is a mandate to insure that the public school system will exist on a plane of equal quality rather than of equal poverty. The maxim of "full funding" is intended by the committee to require the establishment of the school system on a realistic basis.

Once the needs for a basic quality system of elementary and secondary schools have been realistically assessed, the state has the obligation to guarantee that this minimum basic program be fully funded. This requirement would substitute rationality and equity for the confusion and injustice which have often plagued school finance systems in the East.

Section 2. PUBLIC SCHOOL FUND. The public school fund of the state shall consist of the proceeds of such lands as have heretofore been granted, or may hereafter be granted, to the state by the general government known as school lands; and those granted in lieu of such; lands acquired by gift or grant from any person or corporation under any law or grant of the general government; and of all other grants of land or money made to the state from the general government for general educational purposes, or where no other special purpose is indicated in such grant; all estates, or distributive shares of estates that may escheat to the state; all unclaimed shares and dividends of any corporation incorporated under the laws of the state, and all other grants, gifts, devises or bequests made to the state for general educational purposes.

#### COMMENTS

In securing assured sources of support for the educational system, the committee agreed that Constitutional protection should be supplied to the public school fund. Section 2 in the existing Constitution has provided this protection by itemizing the components of the fund and unequivocally specifying that these contributing funds shall be used for education. The name



## NOTES/OUTCOME

□ Kevin Nelson, 4235 Bruce Avenue, said the tax increment district used draft minutes in an ordinance. He said on page 7, the draft plan stated acquisition of property may not be obtained through private property for urban renewal, or entered into a development agreement.

## TOPIC #3

*Senator Kim Gillian & Representative Wanda Grinde*

## PRESENTER

## NOTES/OUTCOME

□ **Kim Gillan introduced Dan Bucks, Department of Revenue Director. (emphasis added)**

□ Councilmember Veis commented on the tax increment financing, and said the City was satisfied with them, and said downtown was a good example of how they were working.

□ He (Dan Bucks) said the indirect impact was on the general fund, because the state had to fill the bucket that was short because TIDs/TIF's do not allow the full value to benefit the schools.

□ Mr. Bucks said State law gives the Governor's office the responsibility to administer tax/revenue laws

□ Councilmember Boyer mentioned **Mr. Bucks said at Rotary that there were several instances of several districts breaking the law (emphasis added)**

□ Councilmember Veis asked where Mr. Bucks had seen the abuses, and wondered if the rules would affect urban districts also.

□ Mr. Bucks said it would affect the urban districts, as there were issues there too.

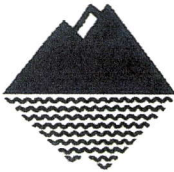
□ Councilmember Stevens asked if the TIF amendment issue had been resolved.

□ **Mr. Bucks said there were some constitutional issues in other states and they may apply in Montana too. (emphasis added)**

□ **Mr. Bucks said he had heard some concern (emphasis added)** about the new district (Cabela's) and asked if it was going to strictly be under an urban renewal statute. The response was, yes

Under Topic #3 from the minutes there is no mention that the DOR would be at this meeting, that is a clear violation of *Article II Section 9*.





**Mike Kadas**  
Director

# Montana Department of Revenue



**Steve Bullock**  
Governor

December 8, 2015

Kevin Nelson  
PO Box 23107  
Billings, MT 59104

Mr. Nelson,

At the last RTIC meeting you asked for the geocodes to the properties outlined in my earlier response. Below are those geocodes and the associated value change with each. I hope this helpful.

Sincerely,

*Mike Kadas*

Mike Kadas  
Director, Montana Department of Revenue

Tax Ccd	Property ID	Property Type	2009 TV	2010 TV	Difference	Owner Name
2013204	03-0002013204-001	Personal Property	0	17468	17468	First Interstate Bank
2017339	03-0002017339-001	Personal Property	0	44579	44579	First Interstate Bank
					62047	
2001358	03-0002001358-001	Personal Property	0	23382	23382	Payne West Insurance
A00828	03-0927-03-1-48-14-0000	Real Property	1692	1667	-25	COMPUTERS UNLIMITED
A00820	03-0927-03-1-48-07-0000	Real Property	19180	19962	782	COMPUTERS UNLIMITED
A00825	03-0927-03-1-48-01-0000	Real Property	1173	1135	-38	COMPUTERS UNLIMITED
A00834	03-1033-33-3-05-01-0000	Real Property	2179	2156	-23	COMPUTERS UNLIMITED
A00810	03-0927-03-1-44-02-0000	Real Property	8906	8821	-85	COMPUTERS UNLIMITED
A00832A	03-1033-33-3-05-03-0000	Real Property	3775	3763	-12	COMPUTERS UNLIMITED
A00824	03-0927-03-1-48-02-0000	Real Property	10321	10619	298	COMPUTERS UNLIMITED
A00823	03-0927-03-1-48-04-0000	Real Property	6946	7506	560	COMPUTERS UNLIMITED
I00251A	03-0927-03-1-39-01-0015	Real Property	0	11745	11745	COMPUTERS UNLIMITED
A00813	03-0927-03-1-44-10-0000	Real Property	9387	10310	923	COMPUTERS UNLIMITED
					14125	
2000506	03-0002000506-001	Personal Property	0	17458	17458	CTA BUILDING LLP
A00840	03-1033-33-3-10-03-0000	Real Property	8700	8769	69	CTA BUILDING LLP
A00206	03-1033-33-3-23-03-0000	Real Property	1055	1141	86	CTA BUILDING LLP
A00887	03-0927-03-1-40-01-0000	Real Property	5932	6477	545	CTA BUILDING LLP
					18158	
2318327A	03-002318327A-001	Personal Property	17	24	7	US Bank
2003506	03-0002003506-001	Personal Property	0	15311	15311	US Bank
					15318	
A00366	03-0927-03-2-43-08-0000	Real Property	30435	30030	-405	ZOOT PROPERTIES LLC
A00376	03-0927-03-2-46-09-0000	Real Property	21127	22982	1855	ZOOT PROPERTIES LLC
A00360	03-0927-03-2-43-01-0000	Real Property	85152	100678	15526	ZOOT PROPERTIES LLC
					16976	
2000278	03-0002000278-001	Personal Property	0	9594	9594	Montana Brewing Co
A00778	03-0927-03-2-34-04-0000	Real Property	7814	7559	-255	WESTERN SECURITY BANK
A00645	03-0927-03-2-39-06-0000	Real Property	7803	7580	-223	WESTERN SECURITY BANK
2001388	03-0002001388-001	Personal Property	0	8764	8764	WESTERN SECURITY BANK
					8286	
2018815	03-0002018815-001	Personal Property	61174	51763	-9411	MAKENNA HOTEL INVESTMENTS LLC
A00804	03-0927-03-1-38-05-0000	Real Property	263725	259241	-4484	MAKENNA HOTEL INVESTMENTS LLC
					-13895	
A00271	03-0927-03-2-42-03-0000	Real Property	282002	273608	-8394	MICHAEL DEVELOPMENT BILLINGS OFFICE LP

*diff 23,881.00*





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### Detail Property Tax Information

**Disclaimer:** The tax information was updated on 12/22/2015. Please notify the Treasurer's Office of any inaccuracies. Online Tax Billing History is available from Tax Year 2000 forward. If you wish information for prior tax years contact the Treasurer's Office. [Pay Taxes Online](#)

Tax ID: 2013204 Tax Year: 2009

#### BILLINGS

Code	District	1st Half	2nd Half	Total
	BILLINGS (Levy District)	9,073.67 P	0.00	9,073.67
BFH1 BFHS BLGS FIRE HYD PP/MH		186.75 P	0.00	186.75
<b>Totals</b>		<b>9,260.42</b>	<b>0.00</b>	<b>9,260.42</b>

Date Paid 07/14/2009

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Tax ID: 2013204 Tax Year: 2010

#### 2008 EXPANDED N 27 ST URB

Code	District	1st Half	2nd Half	Total
	2008 EXPANDED N 27 ST URB (Levy District)	3,159.82 P	0.00	3,159.82
2T3A	2008 EXPANDED N 27 ST URB	7,661.09 P	0.00	7,661.09
BFH1 BFHS BLGS FIRE HYD PP/MH		222.02 P	0.00	222.02
TIDU TIDU TID - UNIVERSITY MILLAGE		74.41 P	0.00	74.41
<b>Totals</b>		<b>11,117.34</b>	<b>0.00</b>	<b>11,117.34</b>

Date Paid 07/09/2010

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Tax ID: A00887 Tax Year: 2009  
2008 EXPANDED N 27 ST URB

Code	District	1st Half	2nd Half	Total
	2008 EXPANDED N 27 ST URB (Levy District)	1,627.94 P	1,627.93 P	3,255.87
2T3A	2008 EXPANDED N 27 ST URB	219.92 P	219.91 P	439.83
BACF	BACF BLGS ARTERIAL CONST FEE	110.88 P	110.88 P	221.76
BFHS	BFHS BLGS FIRE HYD REAL	37.70 P	37.70 P	75.40
BLGB	BLGB BILLINGS GARBAGE	405.00 P	405.00 P	810.00
BLSW	BLSW BILLINGS STORM SEWER	99.65 P	99.65 P	199.30
BS#2	BS#2 BLGS STREET MAINT #2	67.13 P	67.13 P	134.26
L149	0149 BLGS LIGHT MAINT	96.38 P	96.38 P	192.76
TIDU	TIDU TID - UNIVERSITY MILLAGE	2.14 P	2.14 P	4.28
<b>Totals</b>		<b>2,666.74</b>	<b>2,666.72</b>	<b>5,333.46</b>

Date Paid 11/13/2009 05/31/2010

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Tax ID: A00887 Tax Year: 2010  
2008 EXPANDED N 27 ST URB

Code	District	1st Half	2nd Half	Total
	2008 EXPANDED N 27 ST URB (Levy District)	1,804.33 P	1,804.33 P	3,608.66
2T3A	2008 EXPANDED N 27 ST URB	267.08 P	267.08 P	534.16
BACF	BACF BLGS ARTERIAL CONST FEE	113.61 P	113.61 P	227.22
BFHS	BFHS BLGS FIRE HYD REAL	41.16 P	41.16 P	82.32
BLGB	BLGB BILLINGS GARBAGE	441.00 P	441.00 P	882.00
BLSW	BLSW BILLINGS STORM SEWER	99.65 P	99.65 P	199.30
BS#2	BS#2 BLGS STREET MAINT #2	68.81 P	68.81 P	137.62
L149	0149 BLGS LIGHT MAINT	76.16 P	76.16 P	152.32
TIDU	TIDU TID - UNIVERSITY MILLAGE	2.53 P	2.52 P	5.05
<b>Totals</b>		<b>2,914.33</b>	<b>2,914.32</b>	<b>5,828.65</b>

Date Paid 11/18/2010 05/27/2011

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Tax ID: 2001358 Tax Year: 2009

#### BILLINGS

Code	District	1st Half	2nd Half	Total
	BILLINGS (Levy District)	9,513.36 P	0.00	9,513.36
BFH1 BFHS BLGS FIRE HYD PP/MH		195.80 P	0.00	195.80
<b>Totals</b>		<b>9,709.16</b>	<b>0.00</b>	<b>9,709.16</b>

Date Paid 07/29/2009

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Tax ID: 2001358 Tax Year: 2010

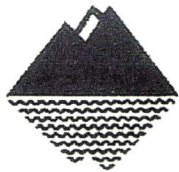
#### 2008 EXPANDED N 27 ST URB

Code	District	1st Half	2nd Half	Total
	2008 EXPANDED N 27 ST URB (Levy District)	4,229.52 P	0.00	4,229.52
2T3A	2008 EXPANDED N 27 ST URB	10,251.68 P	0.00	10,251.68
BFH1 BFHS BLGS FIRE HYD PP/MH		297.19 P	0.00	297.19
TIDU TIDU TID - UNIVERSITY MILLAGE		102.85 P	0.00	102.85
<b>Totals</b>		<b>14,881.24</b>	<b>0.00</b>	<b>14,881.24</b>

Date Paid 07/29/2010

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Mike Kadas  
Director

# Montana Department of Revenue



Steve Bullock  
Governor

February 23, 2015

Kevin Nelson  
PO Box 23107  
Billings, MT 59104

Mr. Nelson,

This is a follow up to our conversation last week regarding TIF in the Billings downtown. I asked our local office to provide a historical view of the TIF with the new Federal Courthouse, which is shown below.

		Increment							
		Base Year	Base Value	2009	2010	2011	2012	2013	2014
N 27th St TIFD	2T3	2000	783,431	303,401	245,214	251,192	365,621	384,760	582,519
2008 Exp N 27th St TIFD	2T3A	2008	3,328,807	510,265	2,741,273	2,646,972	2,598,300	2,768,346	2,484,348

Federal Courthouse Tax Code: A33796

The New federal courthouse splits levy districts. Approx. half of its value is in 2T3 and the other half in 2T3A, both TIF districts.

The courthouse was built in 2011 and is 100% exempt. The property did carry a taxable value that contributed to the base in 2008 when it was an MDU building  
Other contributors to the increase from 2009 to 2010 were:

Several Utility companies allocated more value to these districts, AT&T Mobility, AT&T Communications and Qwest contributed almost \$1.3 mill.  
First Interstate Bank saw growth  
Northern Hotel started undergoing renovations  
CTA Architects renovated an old building  
Montana Brewing Company went through renovations



- The following centrally assessed properties contributed to the increase in 2009 and 2010:

	2009	2010	Difference
BNSF	1,167	861	-306
Qwest Corp	0	114,008	114,008
Mid Rivers	33	36	3
MCI Communications	0	358	358
Qwest Comm Corp	0	44,442	44,442
Cellico-Verizon	96,858	131,658	34,800
AT&T Communications	350,107	468,098	117,991
WWC Holdings	0	35,409	35,409
MTPCS-Cellular One	0	2,681	2,681
AT&T Mobility	0	1,040,863	1,040,863
Total:	448,165	1,838,414	1,390,249

\*Largest impact in 2010, many of these centrally assessed companies were not identified in this district for 2009.

I hope this information regarding the questions you raised regarding the Billings Downtown TIF at the last Revenue and Transportation Interim Committee is helpful.

Sincerely,



Mike Kadas  
Director



FROM THE DESK OF . . .

**Bruce McCandless**

**Assistant City Administrator**

PO Box 1178

Billings, MT 59103

(406) 657-8222 Fax (406) 657-8390

Email: [mccandlessb@ci.billings.mt.us](mailto:mccandlessb@ci.billings.mt.us)

July 22, 2011

TO: Tina Volek, City Administrator

SUBJECT: N. 27<sup>th</sup> Street Tax Increment District Tax Year 2010 Revenue

As reported to the City Council, the MT Department of Revenue (DOR) has twice revised the amount of tax increment for the N. 27<sup>th</sup> Street Tax Increment District (TID). DOR announced the first change in mid-June and based on a substantially lower incremental taxable value, the Finance Division calculated that the TID would produce approximately \$800,000 of increment versus the previously estimated \$1,900,000. I reported that to the Council on July 5. On July 18, the DOR again revised the incremental taxable value and based on that amount, the total will be approximately \$1,700,000, including personal property tax. If the County collects the known delinquencies and if protested taxes are decided in the City's favor, the total could be \$1,800,000.

Attached is a July 18, 2011 letter from the regional office of the DOR. In the 4<sup>th</sup> and 6<sup>th</sup> paragraphs (bottom of pg 1 and middle of pg 2), DOR admits that the June errors were caused by miscalculations of centrally assessed and real property values. The explanations and the results are confusing, so I'll try to give a simpler explanation.

The centrally assessed property error occurred when the DOR failed to enter in its computer system a base taxable value for the utility, railroad, etc. property in the TID. That caused all of the taxable value to be reported as increment. When the DOR discovered that error, it initially told the City that none of the value was increment and that caused a \$600,000 tax loss. In the second revision, the DOR recognized that a lot of the value was in fact an increase compared to 2008-2009 and therefore, it re-added that increment. There are centrally assessed property protests, but only about \$90,000 is in the N. 27<sup>th</sup> TID.

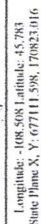
The DOR's first revision of the real property incremental value reduced TID taxes by about \$500,000. When the City challenged the DOR's values, it discovered that it had applied an incorrect multiplier to all of the district's real property. The same error was made in the South Billings Blvd TID but not in the East TID. The DOR corrected that factor and the result increased tax increment to almost the same amount as originally estimated.



- McCall: amazing work, need to get this kind of info out to the public. How long to recharge the system when it was down to eight (8) feet of water? Mumford: about (two) 2 hours.
- Pitman: at what point would we have notified the public to stop using water? Mumford: we were nearly at that point. Would notify County Disaster Emergency Services, who would be responsible for public notice.
- Ulledalen: assess rock fall risk to reservoirs below the rims? Mumford: we haven't looked at it. Chappel is mostly underground. MSU-B is a buried tank and the one in Ironwood is in a ravine and protected. The one at risk is above Rimrock – visible tank.
- Gaghen: concern about oil spill is international news.
- Mumford: will report soon on off-stream storage evaluation study. Will bring a report back soon so we have other options for water besides the river.
- Ulledalen: walked by Chappel and wire is damaged.
- Public comments:
- None
- 

TOPIC #4	Empire Parking Garage
PRESENTER	
NOTES/OUTCOME	

- McCandless presentation and Q&A (Bruce you will need to add as I have no presentation. Thought it would be easier for you to add then for me to pick and choose. If you would prefer I do that let me know...) Two (2) issues to discuss: due diligence and the tax increment district funding for a potential new parking garage. Due diligence was outlined in six (6) presentations from September 2010 through May 2011 and the staff reports and documents presented for each Council work session or business meeting. The property purchases and associated agreements obligate the City to various actions, including parking arrangements, selling portions of the new garage and a development agreement for the Northern Hotel. The tax increment district will have approximately \$1,100,000 less money in tax year 2010 than predicted and it will be the same in future years. The shortfall will require a short term loan from the General Fund to the tax increment fund because a city fund can't end the fiscal year in the red. Repayment will come from the tax year 2011 tax increment distribution or from re-selling the land recently purchased for the parking garage. There won't be enough tax increment for at least 2-3 years to bond for a garage, so the staff recommendation is to sell the property since it won't be needed anytime soon. Other options include keeping the land for up to 2 years and the Downtown Billings Partnership is requesting up to 3 months to develop alternatives for the Council's consideration.
- Hanel: what is the status of the parking garage we have for sale? Tina: we have had an offer with discussion of financing the purchase short term. Wanted to see what the details of the Empire Parking Garage were.
- McCandless: discussion, if the City could carry a note for a short period of time, at a lower interest rate, given the City more capital in the end.
- Astle: we own the Northern Hotel Parking Garage? Bruce: yes. Astle: do we get the revenue? Bruce: No. Northern Hotel can lease the parking spots and keep the revenue



## Results



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